

Workers' Compensation Information System Advisory Committee Notes

More than 50 individuals representing WCIS trading partners and other CA workers' compensation industry stakeholders attended this meeting of the Committee, held on May 21 at 455 Golden Gate Avenue in San Francisco. More than a dozen members of DIR management and staff also participated in the meeting.

DWC Administrative Director Richard Gannon opened the meeting with welcoming remarks and invited Suzanne Marria, Assistant Director, Department of Industrial Relations, to address participants on the role of WCIS within DIR.

Assistant Director Marria reported that the DIR is well aware of the importance of obtaining complete and accurate data on the performance of the workers' compensation system for public policy decision-making. To reach this goal, she indicated that DIR administration has been working closely with DWC to improve the operation of the WCIS. She also reported that outside assistance has been sought in project management for the past few months and introduced Jim Collier from PriceWaterhouseCoopers consulting services. Finally, she noted that personnel from the Information Systems (IS) department of DIR have increased their participation in operating the WCIS, leading to the dramatic improvement in processing of WCIS data over the past 4-5 months.

Bill Kahley, Manager of DWC's Research Unit, then outlined the day's business agenda and introduced Dan Nishijima from the IS department. Dan thanked individual IS staff, particularly Oracle programmer Jackie Chang for her role in improving WCIS data processing. He also introduced Benny Gee and other members of the Electronic Data Interchange (EDI) Unit--Johnny Lee, Damon Chen, and Elisema Cantu. The EDI unit was formed about six months ago to assume primary responsibility for collecting WCIS data from trading partners. Bill Kahley also noted the two-year contribution of the Research Unit's Genet Daba.

The remainder of the meeting was taken up with discussion on five key issues pertaining to WCIS. To simplify the presentation of this summary of discussions, meeting notes are arranged in the following topical order:

- Employer first and subsequent reports of injury (FROI/SROI) transactions
- Rulemaking changes
- Medical data collection
- Education and training issues
- eNews and other communication

Sections below include statements and recommendations made by DWC staff, questions and remarks from trading partners (TPs) directed to DWC, and DWC's responses to trading partners.

FROI and SROI transactions

Bill Kahley reported that the system improvement gained in the last few months now indicates that it is time to set up an agreed-upon system for the collection of backlogged SROI data. He presented two options for capturing backlogged data.

The first option is to continue to send data as prescribed in the California Implementation Guide—that is, send SROI transactions every time a benefit is opened, closed, changed, updated, etc.

The second option is to send all FROI data as usual, and report SROI backlog data via the Upon Request (UR) transaction event. This later option would entail a two-step process. First, all backlogged SROI data would be sent on a UR—that is, TPs would provide a current snapshot of the cumulative payments on each type of benefit paid on the claim. Then, for claims that do not have Initial Payment (IP) date yet posted in the WCIS database (determined by EDI staff via a query of the WCIS database), TPs would be asked to return the date of the IP maintenance type code to WCIS via flat file.

Participants also discussed the merit of including the initial start date of the first indemnity payment in the flat file along with the IP date when a participant noted that the payment date of the first indemnity check and the beginning date of disability are not the same. In reply to this comment, AD Gannon stated that there is a need to balance the policy maker's and researcher's needs within WCIS with the imposition of added costs to TPs. He encouraged participants to provide suggestions regarding how to reconcile this and other issues discussed at the meeting.

When asked which of the two catch-up methods would be more feasible for them to implement, TP responses were nearly evenly split between the standard method of delivery and use of the UR method. Participants suggested that a staggered schedule should be used for the catch up transmission, and DIR staff agreed to develop and communicate a schedule to TPs via eNews.

The following are other questions from meeting attendees and responses from DWC:

Question: Can the department's current staffing levels provide the manpower needed to handle EDI-related SROI questions when numerous TPs start to transmit backlog data?

Response: The EDI unit is trying its best to handle its workload and, in response to its heavy workload, one new staff member recently was added to the EDI unit.

Question: A TP that has been transmitting SROI data since the inception of the WCIS noted that its transmissions have been incomplete and asked if the UR data transmission option could be used to send missing data.

Response: This use of the UR is acceptable for a limited period.

Question: In using the IP transaction to catch-up on SROI transmissions, is the IP transaction supposed to be transmitted with all of the IP information requirements as stated in the California Implementation Guide?

Response: TPs will be required to send only the IP date on the flat file (and, possibly, though yet to be determined, the start date of the first temporary disability payment). The flat file should not contain the other data elements required on a normal IP transmission.

Question: What about the backlog of FROI transmissions from 2001-2002 that still exists for some TPs? Is July 1, 2002 a realistic date for submission of this backlogged data?

Response: DWC regulations remain in place and they require TPs to submit FROIs in a timely fashion. If they have not yet been sent, please send them as soon as you can.

Question: A number of TPs asked why acknowledgements from WCIS TP contacts to them continue to take longer than 48 hours to be sent?

Response: DWC will review and examine this issue and work with TPs on an individual basis to resolve their problems.

Rule making changes

George Parisotto, DWC legal staff, presented the proposed changes to WCIS regulations rulemaking. He highlighted the following three major changes to last year's proposal:

1. The Commission on Health and Safety and Worker's Compensation would be permitted to obtain individually identifiable information from the WCIS, and according to guidelines required of other researchers.
2. Sections related to the Medical Bill data collection section have been removed.
3. The Section on Information & Assistance Officers' use of WCIS has been removed.

Question: Rule 9701 excludes the collection of pharmacy data. Will such data be excluded from WCIS?

Response: No. Pharmaceutical data collection will begin when the submission of other medical data is mandated by regulations.

Question: How will identifiable information in the WCIS be deleted or not made available in data that is provided to other state agencies for their use?

Response: This issue will be addressed in Memoranda of Understanding with the state agencies rather than via the rulemaking process.

Medical Data Collection

AD Gannon stated that participation of TPs in medical data collection is very important and that DWC is open to suggestions on how best to collect this information. He then introduced Glen Shor, DWC policy analyst, who will be the DWC staff person responsible for developing the approach to be taken for medical data collection.

Glen began the presentation by noting that the rationale for the collection of medical data lies in the fact that medical treatment costs comprise over 50 percent of the workers compensation system's cost, and that such costs are increasing. At the policy level, the increasing costs for the treatment of injured workers remains an important public policy concern for all stakeholders. The collection of medical data by WCIS could result in information on both the quality and cost of workers compensation treatment that can be used to make effective changes in public policy.

Access to medical data would enable stakeholders to answer several questions, including:

- What are the scopes of services for treatment of workers compensation claims?
- What are the differences between charges and payments for services?
- What percent of services are performed under managed care arrangements versus fee-for-service or contracted arrangements?

Medical data also needs to be collected to meet mandates under AB749.

As to the extent of medical data to be collected, DWC is considering using 79 of the 220 IAIABC-approved medical data elements.

In the discussion that ensued following Glen's presentation, numerous TPs noted that collection and submission of medical data is a difficult process that may prove to be more time consuming and harder to accomplish than DWC anticipates. AD Gannon mentioned that DWC would consult with the state's medical community to standardize the provider billing format, and that this activity would complement the medical data collection effort. AD Gannon also emphasized that DWC intends to work closely with TPs to ensure that the collection effort is performed effectively.

TPs reported the following additional issues that will complicate the submission and collection of medical data:

1. Data is stored in multiple systems and organizations, and that they will be challenged in efforts to collect it and submit it to WCIS. According to one TP, at least one third of the proposed data elements are stored in systems that do not allow for easy access.
2. Bill review companies across the state have no consistent standards regarding data collection.
3. Medical provider data is not consistently made available and not consistently stored.
4. Proposed medical data collection may result in submission of conflicting data elements or unreliable data that combines line items with bill items in a single submission.
5. Inaccurate provider ID and Tax ID is prevalent and will complicate data collection and validation.
6. How will accurate data be collected on providers who work in multiple relationships and/or sites over a short period of time?
7. What will WCIS do on the collection of “administrative fees” which represent a sizeable portion of costs in workers compensation insurance claims?
8. The proposed medical data collection does not address the issue of outcomes quality or the issue of utilization of treatment guidelines. TPs questioned whether medical data collected on providers will actually begin to address public policy issues regarding the quality of delivery of workers compensating medical services.
9. The issue of which provider actually is the “primary treating physician” is murky. Accurate designation of that provider in the WCIS likely will be “hidden” in the medical data that is collected.
10. What is the percentage increase in costs among carriers across the country that have submitted medical data?
11. Can TPs and DWC learn from the experience of other states in collecting medical data, and use that information in CA’s medical data collection effort?

DWC responded to these TP concerns by recognizing the need for DWC to establish a technical committee composed of interested TPs, DWC staff, and others. This committee or task force will discuss technical issues related to the delivery of medical data (and catch up on missing SROI data).

Education/Training Needs

There was considerable interest among TPs for education/training on EDI to be provided independently by both DWC and the IAIABC. DWC responded that it would initiate the process of having an IAIABC training/implementation team provide EDI training in Northern California.

eNews and Related Communications

To maintain and enhance communication between DWC and workers' compensation stakeholders, meeting participants were encouraged to send any questions and information about problems they are encountering with WCIS to Bill Kahley via email following the meeting. Other communications-related topics discussed at the meeting included the possibility of establishing a Q and A section on the DWC website, and making greater use of the *eNews*. DWC responded that it would explore the feasibility of establishing a "forum" on its website, and that information about the advisory committee meeting, as well as follow-up plans for operating WCIS based on suggestions made at this meeting, would be communicated via *eNews*.

Finally, the status of future WCIS Advisory Committee meetings was also discussed. AD Gannon indicated that meetings are presently held on an annual basis. However, if TPs have a need or preference for more frequent meetings, DWC will consider doing so.